

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|---------------------------------------|---|-----------------|
| THE APPLICATION OF U.S. 60 WATER |) | |
| DISTRICT OF SHELBY AND FRANKLIN |) | |
| COUNTIES, KENTUCKY, FOR AN ORDER |) | |
| APPROVING CONSTRUCTION FINANCING AND |) | CASE NO. 91-033 |
| CERTIFICATE OF PUBLIC CONVENIENCE AND |) | |
| NECESSITY |) | |

O R D E R

On January 31, 1991, U.S. 60 Water District ("U.S. 60 Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$409,765 waterworks improvement project and for approval of its plan of financing for this project. This project will provide service to 27 additional customers. Project funding includes a \$171,765 loan from the Kentucky Infrastructure Authority ("KIA"), a \$158,500 Community Development Block Grant ("CDBG") from U.S. Department of Housing and Urban Development ("HUD"), \$43,700 from U.S. 60 Water, \$25,000 from the Shelby County Fiscal Court, and \$10,800 from applicants for service in the proposed project area. The loan will be for a 20-year period at an interest rate of 8 percent per annum.

U.S. 60 Water's application was made pursuant to KRS 278.023 which requires the Commission to accept agreements between water districts and HUD and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on January 31, 1991, KRS

278.023 does not grant to the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. U.S. 60 Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. U.S. 60 Water's proposed plan of financing with KIA is accepted.

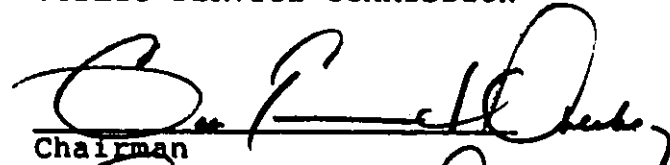
3. U.S. 60 Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

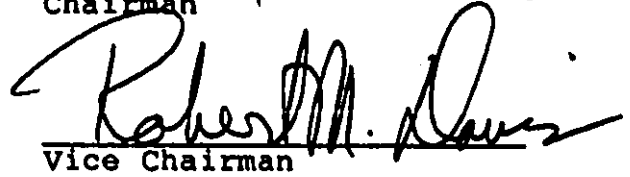
4. U.S. 60 Water shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 6(1), U.S. 60 Water shall take immediate action to bring the system into compliance with Commission regulations.

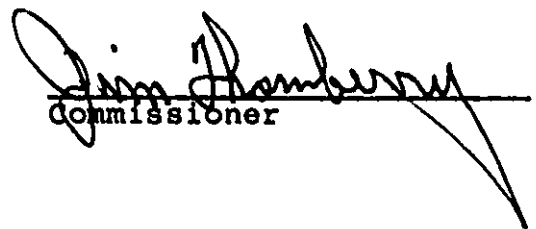
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 20th day of February, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director